Logistics Management Institute

Repair and Alteration Services at the U.S. Postal Service

PS406MR1

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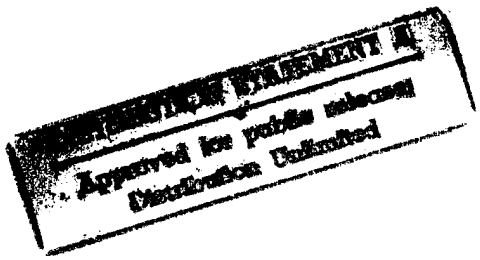

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The U.S. Postal Service operates about 35,000 facilities encompassing 255 million square feet of space. Because of the number of facilities, amount of space, and geographic dispersion, the task of maintaining those facilities is monumental. This report assesses the USPS's facility repair and alteration (R&A) services. It includes an evaluation of the Postal Service's R&A organization; the resources, or staffing, available to accomplish the R&A workload; and the R&A project delivery process. The study found that the responsibility for R&A is fragmented; the distribution of the R&A workload and the resources in place to execute it are inequitable and appear to be inadequate, and the planning of R&A projects at all levels is sporadic and subject to frequent change. The report recommends a number of changes that the Postal Service should make to improve its R&A program. Implementation of those recommendations will enable the Postal Service to simplify and focus its R&A program and to make great strides toward ensuring that repair and alteration services are timely, responsive, and of high quality.

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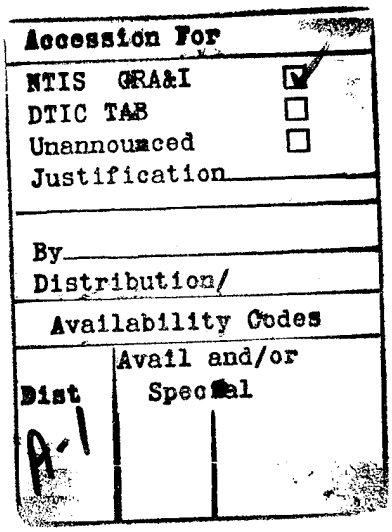

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Executive Summary

The U.S. Postal Service operates about 35,000 facilities encompassing 255 million square feet of space. They fall into one of two line operations: customer service or processing and distribution. Because of the number of facilities, amount of space, and geographic dispersion, the task of maintaining the facilities is monumental. That task encompasses repairs of building structures; repairs of plumbing, electrical, and other building systems; routine maintenance; preventive maintenance; and alterations such as expansion or reconfiguration of a facility. It also includes work required to comply with environmental regulations and regulations concerning access for the disabled.

Because it was concerned that it may not be accomplishing facility repair and alteration (R&A) services in the most timely and cost-effective manner, the Postal Service tasked the Logistics Management Institute to look at the Postal Service's R&A organization; the resources, or staffing, available to accomplish the R&A workload; and the R&A project delivery process. The objective was to recommend ways that the Postal Service can improve its R&A program.

The Postal Service has dedicated employees at all levels who strive to serve the best interests of the organization and to provide the best possible R&A services. However, the responsibility for R&A is fragmented; no single office ensures that the services are provided appropriately across all postal facilities or coordinates the efforts of the various R&A providers. The lack of clear lines of authority and responsibility and the dysfunctional nongeographic approach to organization are hindering the ability of staff assigned to R&A to get their jobs done efficiently.

The current distribution of the R&A workload and the resources in place to execute it are inequitable and appear to be inadequate. For instance, each district has just one architect-engineer; that person may be responsible for up to 1,100 customer service facilities. In contrast, each area office has six or seven architect-engineers on staff whose exclusive responsibility is planning, defining the scope of, and administering R&A projects for, an average of 35 processing and distribution plants — a ratio of one engineer per five or six facilities.

The planning of R&A projects at all levels is sporadic and subject to frequent change. No uniform system is utilized to evaluate facilities, plan for periodic and routine maintenance, or track projects once they have been requested. Additionally, few inspections are being done, and preventive and scheduled

maintenance is virtually nonexistent. Instead, managers spend most of their time handling emergency projects. Contributing to the difficulty in planning projects is the lack of Postal Service standards for prioritizing R&A projects. Moreover, because money budgeted for R&A expense accounts can be used for other activities, the amount of funding available for R&A programs often is reduced, so fewer R&A projects can be accomplished. The combination of inadequate planning, nonuniform prioritization of projects, and obstacles created by the funding procedure results in significant inefficiencies in the process that the architect-engineers must go through to do their work, poor resource utilization, and frustration and miscommunication for all parties.

Among the changes that the Postal Service should make in its R&A program are the following:

- Transfer responsibility for R&A of processing and distribution facilities from the Major Facility Offices to the Facility Service Offices.
- Combine R&A responsibility for customer service and processing and distribution facilities under a single office.
- Create an integrated organization under the USPS's Facilities group for providing R&A services.
- Assign R&A responsibility to the local facilities, the districts, or the Facility Service Offices according to project type, complexity, and cost.
- Create a distinction between the repair and maintenance function and the alteration function, as well as between the corresponding expertise required to perform those functions.
- Create a dedicated expense budget for repair and maintenance activities.
- Eliminate the "use-or-lose" policy for capital R&A projects.

Implementation of those recommendations will enable the Postal Service to simplify and focus its R&A program and to make great strides toward ensuring that repair and alteration services are timely, responsive, and of high quality.

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CHAPTER 1

Introduction

The U.S. Postal Service operates about 35,000 facilities encompassing 255 million square feet of space. The USPS owns about 25 percent of those facilities, which constitute 70 percent of the total square footage, and leases the remainder.

The Postal Service facilities fall into one of two line operations: customer service (CS) or processing and distribution (P&D). The CS facilities are responsible for supporting retail sales and for delivery and pickup of the mail; at the local level, a CS facility is a post office run by a postmaster. The P&D facilities include industrial processing plants, which are responsible for back-of-house bulk sorting and mass distribution of the mail over large geographic areas, and some miscellaneous facilities (training facilities, communication sites, etc.); each P&D facility is run by a plant manager.

Because of the number of facilities, amount of space, and geographic dispersion involved, the task of maintaining the CS and P&D facilities is monumental. That task encompasses repairs of building structures; repairs of plumbing, electrical, and other building systems; routine maintenance; preventive maintenance; and alterations, including structural projects such as expansion of a facility or reconfiguration of the layout of a facility and nonstructural projects such as remodeling of a lobby. It also includes work required to comply with environmental regulations (e.g., asbestos abatement or underground storage tank removal) and regulations concerning architectural barriers (handicap access). No other facilities organization in the country is faced with an assignment of this magnitude.

The Postal Service has dedicated employees at all levels who strive to serve the best interests of the organization and to provide the best possible repair and alteration (R&A) services. However, because it was concerned that it may not be accomplishing facility R&A in the most timely and cost-effective manner, the Postal Service tasked the Logistics Management Institute (LMI) to evaluate the way the USPS provides R&A services and to recommend ways that the Postal Service can improve its R&A program.

STUDY APPROACH

In our assessment of the USPS R&A program, LMI looked at the organization of the Postal Service's R&A staff; the resources, or staffing, available to accomplish the R&A workload; and the R&A project delivery process. As the basis

for our assessment, we defined a good R&A program as one that meets the following guidelines:

- The R&A customer — i.e., the user of the facility — should not have to expend a great deal of effort to ensure that the R&A project requested is being done.

- The R&A staff should respond to customer requests within acceptable time frames, keep customers informed about project status and schedule, coordinate the work execution schedule with the customer, and administer closeout and follow-on warranty items professionally.

- The contractor should do quality work at a fair cost and should be considerate of the customer, for example, by minimizing noise and maintaining clean work areas.

To obtain information about the Postal Service's R&A program, we interviewed over 100 postal employees — both R&A personnel and R&A customers — at all levels and from all areas of the country, and we visited each Facility Service Office (FSO) and one Major Facility Office (MFO). We also attended meetings of the R&A Task Force, which was established by the USPS to recommend improvements to the existing process. Among other things, those sources provided information about the R&A workload, R&A practices being used throughout the country, and the ability (or inability) of the USPS R&A program to meet customer needs. Field personnel also identified areas they saw as opportunities for improvement.

Because the Postal Service tries to follow private-sector practices where feasible, we also surveyed 17 large companies. The purpose of the survey was to identify practices that are common to corporate R&A programs. We then compared those practices with USPS practices.

Report Organization

We present our conclusions and recommendations concerning the Postal Service's R&A program in Chapter 2. Chapters 3 through 6 present our findings:

- Chapter 3 explains how responsibility for R&A is divided among various USPS organizational elements — the FSOs, MFOs, area offices, and district offices.

- Chapter 4 discusses the R&A workload and the staffing resources available to accomplish that workload.

- Chapter 5 provides a detailed discussion of the current R&A delivery process.

- Chapter 6 compares R&A practices that are common in the private sector to those used by the Postal Service.

An appendix provides detailed data on the number and square footage of the facilities maintained by MFOs, FSOs, area offices, and district offices.

CHAPTER 2

Conclusions and Recommendations

CONCLUSIONS

From a management perspective, one would expect the organizational structure and internal procedures used in the R&A delivery process to be simple and appropriate, enabling the R&A staff to concentrate on planning and executing projects. It would also be reasonable to expect that routine inspections resulting in a rolling multiyear (say five-year) R&A plan would become the central mechanism for executing the R&A program. Projects would be selected and prioritized on the basis of a rational system that considers need, return on investment, and unit performance, among other criteria. One would expect to find budgeting and contracting systems that enable and enhance productivity, not hinder it. Staffing would be lean but realistic. Finally, one would expect that the Facilities group would work hand-in-hand with the Operations group at all times and would play a key role in providing and maintaining appropriate facilities that meet operational requirements.

In reality, what we find at the USPS is quite different from what we would expect. The efficient R&A of USPS facilities, which are spread throughout the nation, is difficult and easily overlooked in the face of daily pressures to deliver the mail and of seasonal emergencies such as floods and hurricanes. Inadequate planning, unbalanced workloads, inadequate staff allocations, overreliance on indefinite quantity contracts, combined with convoluted and redundant organizational paths and awkward internal processes, create an organization that has problems with morale, wastes funds, and has deteriorating facilities. In short, the R&A program is less than effective, and the USPS is on a path towards hindering mail delivery because of a crumbling facility infrastructure. The following subsections discuss the core issues relating to the Postal Service's R&A program.

Organization

The responsibility for the R&A of USPS-controlled facilities is fragmented. No single internal organization is ultimately responsible for R&A. Instead, R&A falls under the domain of 12 different vice presidents. Furthermore, four different organizations within the Postal Service provide R&A services: MFOs, FSOs, area offices, and district offices. No single office ensures that the services are provided appropriately across all postal facilities or coordinates the efforts of the various R&A providers.

Because of the fragmentation of responsibility, lines of authority overlap, guidance and procedures are inconsistent, projects are not delivered as cost-effectively as they could be, and building occupants are sometimes confused about who is responsible for what and to whom. For example, even though it has the appropriate expertise for a particular project, an FSO near a P&D plant does not provide R&A services for that plant. Instead, most R&A for P&D plants is managed through the Philadelphia or the Memphis MFO. The practice of using one of the two MFOs for R&A of P&D facilities, instead of a more conveniently located FSO, generates a large amount of travel and results in less oversight of contractor performance.

The lack of clear lines of authority and responsibility and the dysfunctional nongeographic approach to organization are hindering the ability of staff assigned to R&A to get their jobs done efficiently. The organizational segregation does not link the various offices with R&A mandates under a common authority with a single mission and purpose. Because of that fragmentation, the Postal Service cannot take advantage of the closely available expertise nor can it easily balance workloads.

Resources

The current distribution of the R&A workload and the resources in place to execute it are inequitable and appear to be inadequate.[1] Specifically, each district office has just one architect-engineer (A-E); that individual is responsible for at least 70 facilities (Los Angeles District) and may be responsible for up to 1,100 facilities (Central Plains District). The large number of projects spread over a large area makes project planning and execution difficult. In contrast, each area office has six or seven A-Es on staff whose exclusive responsibility is planning, defining the scope of, and administering R&A projects for an average of 35 P&D plants — a ratio of one engineer per five or six facilities.

Delivery Process

Two aspects of the R&A delivery process — planning and budgeting — are of concern.

The planning of R&A projects at all levels is sporadic and subject to frequent change. No uniform system is utilized to evaluate facilities, plan for periodic and routine maintenance, or track projects once they have been requested. Additionally, few inspections are being done, and preventive and scheduled maintenance is virtually nonexistent. Instead, managers spend most of their time handling emergency projects.

Contributing to the difficulty in planning projects is the lack of Postal Service standards for prioritizing R&A projects. Decisions are arbitrary and appear

[1]Staffing and financial resources became pivotal issues after the Postal Service was reorganized in 1992.

to be based on political pressures or personal philosophy rather than on what is in the best interest of the Postal Service — optimization of the overall facility inventory. In many cases, the Financial or Operations groups, instead of Facilities experts, drive the decisions regarding a facility.

Another difficulty is that the money budgeted for R&A expense accounts can be used for other activities, so the amount of funding available for R&A programs is reduced and is uncertain. Consequently, fewer R&A projects are accomplished. Furthermore, the money cannot be carried over from one year to the next. That creates a problem because the Facilities people usually are not informed about the R&A budgets until the second quarter. In effect, project managers have no more than three-fourths of a year to accomplish the budgeted work. This problem is compounded for larger R&A projects in which the time frame for design and construction is longer than one year. Without the ability to carry over money, the funds must be rebudgeted in the following year, which sometimes does not occur.

The combination of inadequate planning, nonuniform prioritization of projects, and obstacles created by the funding procedure results in significant inefficiencies in the process the A-E staffs must go through to do their work, poor resource utilization, and frustration and miscommunication for all parties.

RECOMMENDATIONS

To ensure that repair and alteration services are timely, responsive, and of high quality, the Postal Service should make the following changes to its R&A delivery system:

- *Transfer MFO responsibilities for R&A of P&D facilities to the FSOs.*

  The MFOs were created primarily to handle the design and construction of complex, multimillion-dollar postal facilities. Because of that specialized focus, the MFOs do not respond efficiently to comparatively small and routine maintenance projects in locations scattered throughout the country.

- *Combine R&A responsibility for CS and P&D facilities under a single office.*

  Distinguishing between R&A for CS facilities and R&A for P&D facilities leads to an inefficient use of resources. In general, the expertise needed for R&A projects is independent of the function of the facility. The distinction between CS and P&D was created in part because of a concern that P&D facilities were being neglected. However, establishing clear priorities within one organization to oversee R&A projects would result in the more effective use of resources. The line between CS and P&D R&A is already blurred at the local level; managers of CS facilities tend to rely on managers of field maintenance operations located in nearby P&D plants to help them with small repair and maintenance projects.

- *Create an integrated Facilities organization for providing R&A services.*

  The USPS occupies a vast number of facilities in order to fulfill its mission of delivering the mail. To manage this portfolio of properties effectively from both a cost and an operational perspective, all activities associated with the existing facilities base need to be performed in a coordinated manner. Typically, coordination is done by a property management group responsible not only for R&A but also for lease renewals and administration, disposals, and alterations. The comparable group in the Postal Service is the Facilities group. Ideally, the USPS Facilities organization should have functional responsibility and oversight of all postal employees at the various levels who perform R&A functions. The R&A units in the area offices and the district offices, both now under Operations, should be functionally aligned with the FSO. That realignment would allow for a more efficient use of resources and the shifting of workload as necessary. By establishing a coordinated R&A program, the Postal Service will increase the probability that its facilities are maintained in a cost-efficient manner.

- *Create a distinction between the repair and maintenance function and the alteration function, as well as between the corresponding expertise required to perform those functions.*

  In general, repair and maintenance projects do not require A-E design, while an alteration project does. By establishing two specialized categories within R&A, the Postal Service is assured of receiving a higher level of quality in each area.

- *Assign R&A responsibility to the local facilities, the districts, or the FSOs according to project type, complexity, and cost.*

  Many minor, expense-type, routine maintenance and repair projects resulting from normal wear and tear can be handled efficiently at the local level by the local postmaster, the field manager of maintenance operations, or the plant maintenance manager. Typical expense-type projects, which have a limit of $10,000 and do not require competitive bids, are listed in the new postmaster facilities training program. Such projects involve basic construction techniques; responsibility for them does not need to be assigned to a higher level, unless the local manager decides it is warranted. An effective mechanism is needed that allows the local level to make minor repairs in a timely manner.

  The district offices should handle larger and more complex repair and maintenance projects. Such projects require more supervision of the contractor and A-E expertise to ensure that the price, quality, and scope are acceptable. If the Postal Service shifts responsibility for small R&A projects from districts to the local level, the districts can focus their resources and expertise on R&A projects to which they can add value. The building inspection program should be reinstituted and become the basis for a five-year capital improvements plan and for the annual R&A expense and capital budgets. The

Postal Service also should consider raising the current dollar limitation of $100,000 to $250,000 (or some amount in that range).

The FSOs should oversee the entire R&A program in their respective territories and be the technical resource for repair, alteration, and renovation work. Their responsibilities should include assisting, training, and auditing of the districts and postmasters to ensure they perform repairs and maintenance in a timely and professional manner, given the monetary constraints. In addition, the FSOs should be responsible for any projects involving alteration of postal facilities to ensure that designs are in accordance with Postal Service standards and that A-E experts review the plans and layouts.

- *Create a dedicated expense budget for repair and maintenance activities.*

The annual budget should be based on a specific parameter, such as a dollar amount per square foot of USPS-maintained facilities or a percentage of the estimated capital asset value of the USPS-maintained facilities. In addition, the Postal Service should require that the money be spent only on R&A.

To optimize R&A delivery, the budgeting process needs to reflect the importance of R&A and its benefit to the Postal Service. Facilities are inherently a long-term investment. Lack of proper, timely R&A is reflected exponentially in the dollars spent over the life of a building.

The building inspection budget should include money for rectifying the deficiencies, not just for identifying and documenting them. To the extent possible, deficiencies should be fixed immediately. Delaying an R&A project by holding it for inclusion in the following year's budget will result in scope changes as the condition worsens and in increased costs to the Postal Service. It is important that the buildings be inspected routinely to plan not only for short-term repairs but also for periodic replacement of major elements such as roofs; heating, ventilation, and air conditioning (HVAC); lighting; and parking lots.

The expense budget should be controlled by the organization that is developing and implementing the repair and maintenance program. That organization should establish priorities for the projects and ensure the overall effectiveness of the program. To make planning and prioritization easier, the Postal Service should strive to keep the amount budgeted for repair and maintenance consistent from year to year.

- *Eliminate the "use-or-lose" policy for capital R&A projects.*

This seemingly arbitrary policy makes planning and implementation of capital projects difficult because the design and construction cycle typically takes longer than a year, and many projects are not authorized until mid-year. As a result, documents often are prepared hastily and therefore have the potential for omissions and errors that, in turn, result in costly change orders. The use-or-lose policy also places an additional burden on Facilities

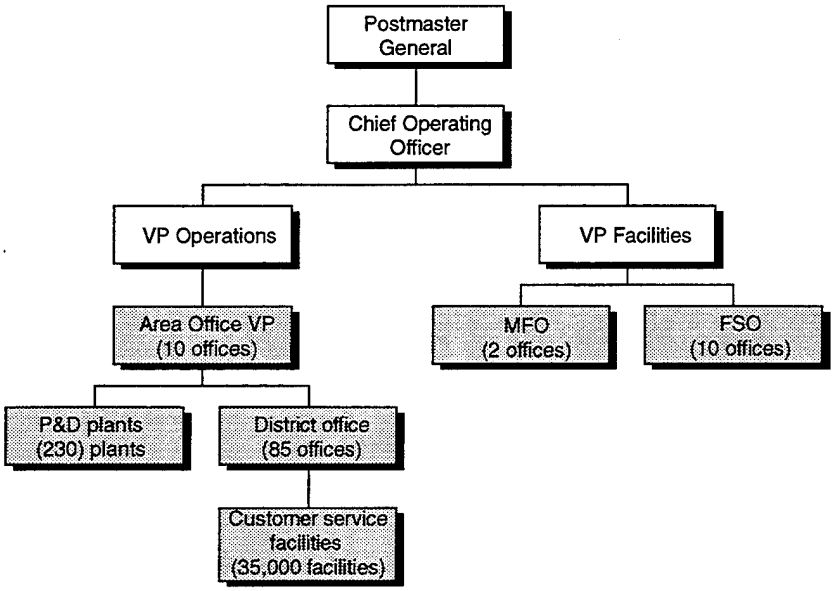
personnel at the end of the year to accomplish all of the budgeted work. Funding should be project based, not calendar based, to eliminate the end-of-year race.

Implementation of the above recommendations will enable the Postal Service to simplify and focus the R&A program and to make great strides towards accomplishing the daunting task of maintaining a roof over the Postal Service in a timely and cost-efficient manner.

CHAPTER 3

USPS R&A Organization

Within the U.S. Postal Service, the responsibility for performing R&A work is spread throughout the organization. It is performed through 107 different offices and, operationally, is the responsibility of 12 different vice presidents. Figure 3-1 is a simplified version of the Postal Service's organizational structure. In general, Operations handles all activities involving the day-to-day provision of postal services, as well as such functions as human resources and finances. The Facilities group handles real estate functions for the Postal Service (acquisition — purchase or lease — and disposal of land and buildings, lease administration, etc.) and design and construction of new facilities.



Note: Shaded boxes indicate organizations involved in the R&A program.

Figure 3-1.
Organizational Structure of the U.S. Postal Service

Operations and Facilities share responsibility for the R&A program. Operations is responsible for funding of and establishing priorities for all R&A projects identified by the Postal Service and for executing projects costing less than $100,000. Facilities is responsible for all technical aspects of R&A projects (providing design guidance, defining standards, etc.) and for R&A contracts; it also is

responsible for executing all R&A projects costing more than $100,000 and all R&A projects involving compliance with Federal regulations.

Both Operations and Facilities are aligned according to the CS and P&D organizational concept; that is, each is structured in such a way that some offices focus on CS facilities and others focus on P&D facilities. Within the Operations group, 10 area offices oversee the operations of the P&D plants and of the district offices within their respective territories. Each of the 85 district offices, in turn, oversees the operations of the CS facilities in its district. Within the district office, an Area Service Office (ASO) administers R&A projects. Similarly, within the Facilities group, 2 MFOs support the P&D plants, and 10 FSOs support the CS facilities in their assigned territories. Thus, no single USPS office oversees the entire R&A program. Instead, each of the 12 vice presidents — the Facilities vice president, the Operations vice president, and 10 area vice presidents — oversees some portion of the R&A program. (The shaded boxes in Figure 3-1 indicate the offices involved in the R&A program.)

The division of R&A responsibility, in terms of project cost and organizational entity, is depicted in Figure 3-2. Some overlap exists among the four organizations involved in R&A. For example, an MFO or FSO may delegate responsibility for a project costing more than $100,000 to the appropriate area or district office. Conversely, an MFO or FSO may decide to administer a project costing less than $100,000 if the project is complex or if the field organization is overloaded with other projects. In addition, local plant managers and postmasters may administer specific types of R&A projects — for example, repairing doors/hardware, fixing roof leaks, filling parking lot potholes, and painting — that cost less than $10,000.[1]

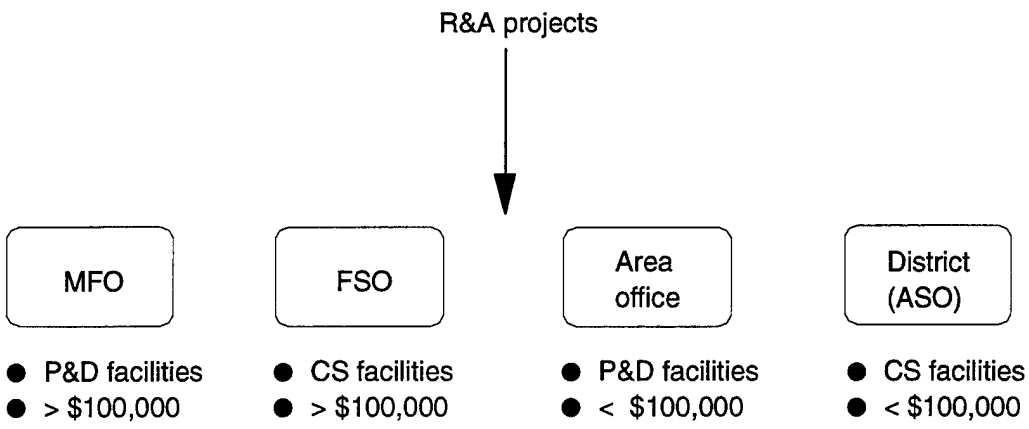


Figure 3-2.
Division of R&A Responsibility

[1]This authority was given to postmasters recently and is being implemented.

Not only is the responsibility for R&A dispersed throughout the Postal Service, but the territories are not aligned consistently with the geographic boundaries of the 10 area offices. Figures 3-3 through 3-5 are maps depicting the territories of the MFOs, FSOs, and area offices, respectively.

The diffuse organizational and geographic responsibility for the R&A program makes planning and coordinating R&A projects difficult. Frequently, one office does not know what another is doing. Thus, an area office may repave a parking lot at a P&D plant only to have the MFO tear up a portion of the lot to provide more dock space. Numerous other examples of coordination problems leading to wasted resources were cited by field personnel.

Field personnel also cited cases in which all four R&A organizations were involved in R&A projects on one building. That situation can occur when P&D plants are collocated with CS facilities. In those cases, disputes often arise regarding who pays for what, and staging problems may occur when numerous contractors are working in the same area of a building. Problems involving coordination of multiple projects within the same facility waste money, frustrate the occupants of the facility, and require that R&A project managers spend additional time and effort to coordinate projects with their counterparts.

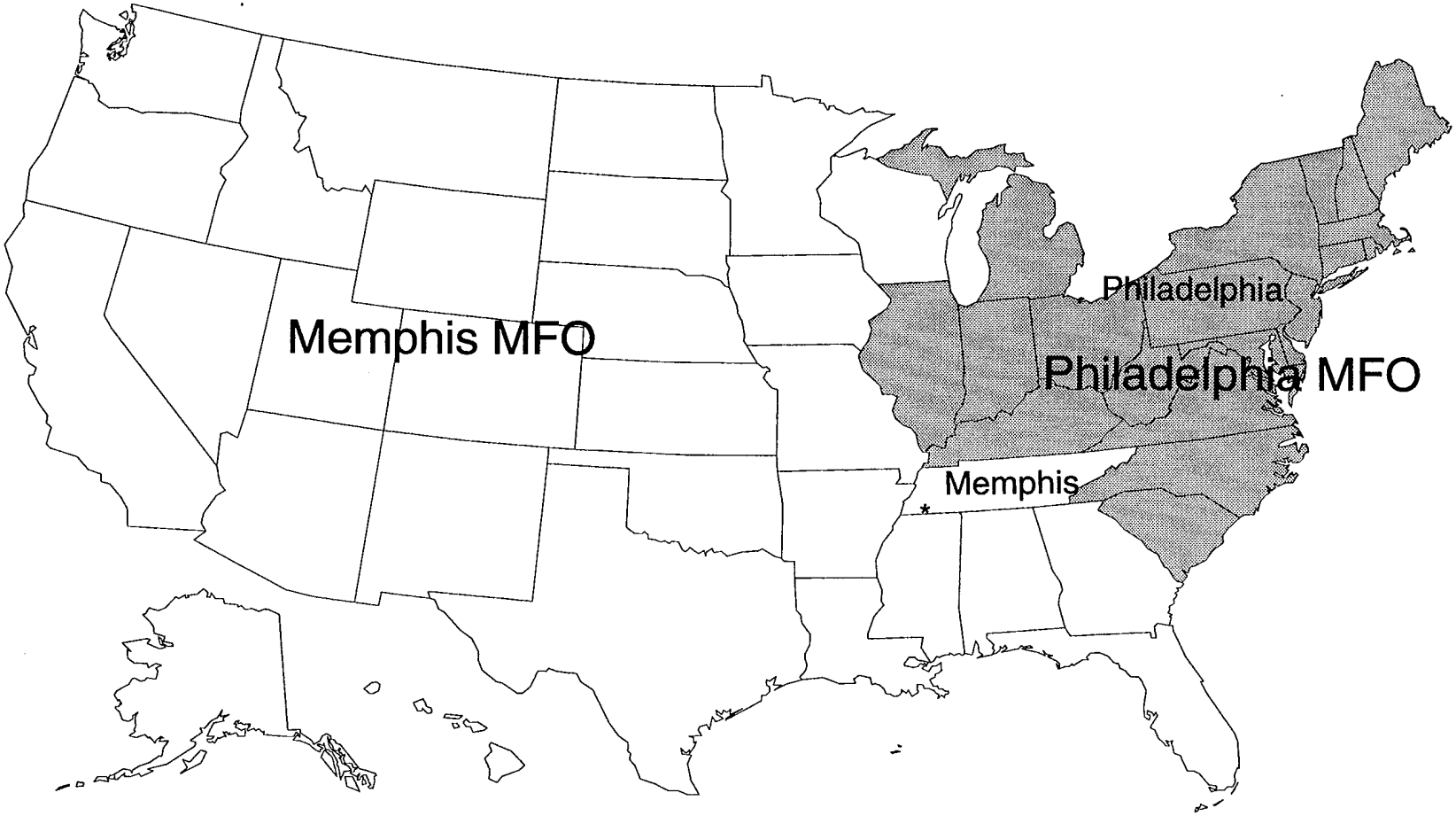


Figure 3-3. *Territories of Major Facility Offices*

Figure 3-4. *Territories of Facility Service Offices*

Figure 3-5. *Territories of Area Offices*

CHAPTER 4

USPS R&A Workload and Resources

NUMBER OF FACILITIES

The total R&A workload, in terms of the number and area of USPS-operated facilities, is summarized in Table 4-1. The USPS is fully responsible for R&A of the facilities it owns — 8,800 facilities consisting of 177 million square feet of space. The Postal Service also retains some responsibility for R&A of the large, operationally complex facilities that it leases. However, R&A of most of the facilities that it leases — 55 percent of all USPS-operated facilities, or 20 percent of the square footage — is the responsibility of the lessor.

Table 4-1.
Distribution and Maintenance Responsibility of USPS Facilities, by Number and Area

Facility type	USPS		Lessor		USPS/lessor	
	Number	Area	Number	Area	Number	Area
All USPS facilities	8,800	177	19,950	44	7,100	32
Customer service only	8,400	93	19,800	40	7,000	28
Processing and distribution only	400	84	150	4	100	4

Note: Area is in millions of square feet.

The distribution of the P&D and CS facilities among the four organizations involved in R&A can be summarized as follows:

- Each MFO supports R&A services for about 250 P&D facilities. About half of these are industrial processing plants; the remainder are miscellaneous facilities.[1] The facilities are distributed among 10 Operations territories; each has from 30 to 60 P&D facilities, which are overseen by an area office.

- Each FSO maintains 500 to 1,400 CS facilities. Like the P&D facilities, the CS facilities are distributed among 10 Operations territories, or 85 districts. Each district has 25 to 300 CS facilities. In some districts, those facilities are spread over hundreds of square miles.

[1] Miscellaneous facilities include such sites as trailers, training facilities, communication sites, and military installations.

A detailed breakdown of the number and square footage of facilities maintained by each of the four organizations is provided in the appendix.

Number of R&A Projects

In terms of the number and dollar value of projects completed, the USPS R&A workload in FY93 totaled 8,600 R&A projects valued at $227 million.[2] About 7,300 of those projects, or 85 percent, involved R&A of CS facilities and were handled by the district ASOs. The value of the district projects (each of which involved contract awards of less than $100,000) totaled around $100 million. About 1,050 projects, or 12 percent, were completed by the area offices for the P&D plants; those projects had a total value of about $22 million. The remaining projects — generally those valued at more than $100,000 — were divided about equally between the MFOs and the FSOs.

The districts accounted for 44 percent of the total dollar value of the FY93 R&A workload, the area offices accounted for about 10 percent, and the MFOs and FSOs each accounted for 23 percent.

The FY93 data are not representative of a typical year in terms of the numbers of actions or the total dollars spent for R&A because the USPS was somewhat paralyzed by the dramatic reorganization announced late in 1992. For example, although we do not have complete data for FY94, the MFOs and FSOs completed nearly 1,200 projects, valued at around $241 million, compared with the 250 projects, valued at $105 million, completed in 1993.[3]

Staff Resources

The R&A workload is generally managed by A-Es. The distribution of A-Es among the four organizations involved in R&A can be summarized as follows:

- The MFOs and FSOs each have 6 to 10 A-Es. That staff manages both design and construction projects and R&A projects.

- Each area office has a staff of six to eight general engineers who manage R&A projects of up to $100,000 for the P&D facilities. The area office A-Es generally work full-time on R&A projects. They may be assisted, on a part-time basis, by facilities engineers.

- Each district ASO has one full-time person to handle design and construction. That person, who may or may not be an A-E, manages R&A projects of up to $100,000 for the CS facilities. As a practical matter, various other people within the district office help with R&A projects on an informal basis.

[2] Based on FMS data base reports.

[3] Based on September 1994 Manager's Conference, Norman, Okla. R&A workload data were not available for area offices and districts at the time of this writing.

At the local level, each district has a maintenance group comprising a manager of field maintenance operations and three to four maintenance technicians and specialists. That group is collocated in a P&D plant and reports to the plant maintenance manager. Those personnel are unionized employees who have expertise in repairing and maintaining mechanical equipment, such as dock levelers and lock boxes. In addition, postmasters often rely on them to help execute small R&A projects managed at the local level. In some cases, a postmaster will routinely put all R&A requests through the manager of field maintenance operations who then forwards them to the district or FSO.

The district ASO staffs appeared to be overwhelmed because they are expected to handle an unrealistic workload. The extreme example is the Central Plains District in the Midwest Area Office in which one person is responsible for 1,120 facilities. In contrast, the Royal Oaks District in the Great Lakes Area Office has one staff member for 97 facilities. The average number of facilities per district is 400.

The only way the district A-E staffs can execute the many R&A projects for which they are responsible is to rely almost exclusively on indefinite quantity contracts (IQCs). Those staffs use IQCs not only for completion of the R&A projects, but also for A-E support tasks. Although IQCs are appropriate for some applications and should be used as intended, they may be costlier than simplified purchase contracts for many situations. Thus, the Postal Service does not always get the best value from already limited funding.

The ability of the Postal Service to deliver cost-effective R&A projects through the districts is further hampered by the following issues:

- The skill level of the A-E staff varies extensively among the districts.
- A-Es have a limited career path because they are considered Operations staff yet are not performing operational duties.
- Since the A-Es report to the district office, they can be assigned non-Facilities tasks, which may or may not be in the best interest of Facilities.
- While the FSO provides the A-Es with contracting authority, the FSO's more experienced technical staffs have no oversight or control over the work performed by the district offices.

CHAPTER 5

USPS R&A Project Delivery Process

All Postal Service organizations involved in providing R&A services use the same general project delivery process. Figure 5-1 depicts the major steps of the USPS's R&A delivery process. The following sections describe each of the steps.

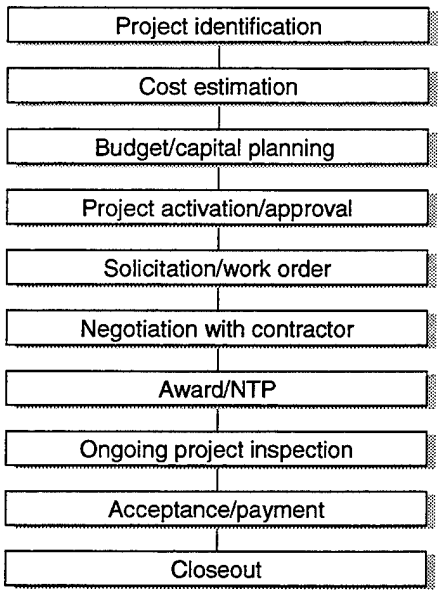


Figure 5-1.
R&A Delivery Process at the USPS

PROJECT IDENTIFICATION

Potential R&A projects may be requested by local postmasters or plant managers, identified during periodic facility inspections, or required by Headquarters. The majority of R&A projects are requested by local postmasters, either when a need arises (emergency requests typically constitute half of all R&A projects) or as part of a wish list, which usually is solicited once a year by the district offices. Typically, each district decides which R&A projects merit the most immediate attention and develops a list, in order of priority, that incorporates existing work and potential R&A projects for CS facilities. A similar process is used by the area offices for the P&D facilities.

Postal Service facilities used to be inspected periodically by maintenance engineers to develop periodic or preventive maintenance requirements. Inspections are supposed to be conducted on a regular basis (anywhere from one- to five-year intervals depending on the facility), but since the reorganization of 1992, regular inspections have not occurred. In fact, to our knowledge, no inspections have been conducted at all. Outside inspectors who identify projects include personnel from the Occupational Safety and Health Administration and the Environmental Protection Agency as well as local code authority building inspectors. Those inspections may result in the identification of R&A projects.

Projects required by Headquarters include those needed to comply with national regulations (compliance with national handicap access laws, for example), as well as those instituted by the Postal Service, for application nationwide.

The project identification process for R&A, particularly the preventive maintenance functions, is generally reactive rather than proactive. According to field interviews, the reason cited most often is the lack of regular facility inspections. Offices at the local level do not have enough staff with facilities expertise to perform regular inspections. Nor are budget resources sufficient to allow for contracted inspections. Since USPS management has not placed a priority on facility inspections, the scarce funds at the local level are spent elsewhere.

Budget/Capital Planning

R&A budgets include both expense and capital accounts, depending on the nature of the work to be accomplished.

The budgeting and capital planning process is performed once a year as part of the annual budgeting activity for the upcoming year. As part of this process, each area office establishes the R&A budgets for the districts it oversees. The overall funding levels depend on the number and priority of new R&A projects identified by the districts, as well on the number of R&A projects continuing from previous years.

The R&A budget is part of the Operations budget. In other words, the Facilities staff as well as Operations staff who perform R&A work have the authority to contract for the use of funds to complete R&A projects, but the control of the funding for any project remains outside of the R&A staff. As a result of the budgetary control remaining outside the R&A program, annual expense money budgeted for R&A projects can be used on non-R&A projects. Several offices reported that expense money originally designated for R&A projects was used to pay for operational overtime work. Also, anecdotal reports by various offices indicated that fully one-third to one-half of all R&A projects are unplanned. Moreover, many planned projects get deferred because funds are used for emergency or unplanned projects. Consequently, the amount of money available for R&A is a moving target, which results in the inefficient use of resources.

Scope-of-Work Definition/Cost Estimation

The project manager is responsible for defining the scope of work and estimating project costs. The project manager generally determines the scope of work for smaller projects through telephone conversations with people located at the facility or through a site visit to the facility, then estimates costs. For larger or more complex projects, the project manager may use outside consultants to produce drawings and a detailed scope of work as well as to estimate project costs. In some cases, such as when equipment needs to be replaced, the project manager may estimate project costs by soliciting local bids.

Project Approval/Project Activation

The completed scope of work and cost estimate are sent to the customer (Operations) for review and approval. Next, funds are committed to the project. This is accomplished through a "not-to-exceed" amount by the person within the organization with the necessary budget authority. The R&A project manager then has the authority to contract for the work.

Solicitation/Work Order

The type of contract utilized depends on the size of the R&A project and the time pressure to complete the work. Minor R&A work (less than $100,000) is contracted through one of two vehicles — an IQC or a simplified purchase contract. IQCs are generally used when the quantity of work can be specified; painting, paving, and roofing are examples of such work. Simplified purchase contracts are used for most other types of work.

An IQC is a preestablished contract that outlines prices for specific items of work. They can be used for both design and construction work. For any appropriate R&A project, the project manager issues a work order against the IQC; the work order specifies the quantity of work required to complete the project. When the work order is completed, the funds are committed to the contractor immediately. Each district generally has at least three IQCs in place. The financial limit of each IQC is $1 million, and no work order may exceed $100,000.

The IQCs are prepared by the FSOs. Many FSOs reported that the process to establish the IQCs for the districts is time consuming; the solicitation process requires extensive reviews of the bids before an award can be made. Furthermore, it is difficult for small, local contractors to qualify because they must provide a bond for the entire amount of the IQC when it is awarded. The bonding requirement means that districts may be limited to contractors that are less accessible. As a result, some districts have complained about the quality and responsiveness of the IQC contractors.

The IQC form of contracting is useful because it enables quick response to problems. And since it requires only a work order to initiate a task, the IQCs are easy for the district employees to use. However, because of the ease of use, the IQCs often are used when a simplified purchase contract would get the work done at less cost to the Post Office.

A simplified purchase contract requires that the project manager solicit bids from several (at least three) contractors; the contract is awarded based on price. If the cost estimate for the project is over $50,000, the project must be advertised in the *Commerce Business Daily;* however, many R&A projects in the districts are below this dollar threshold.

For R&A projects expected to cost more than $100,000, the project managers use the competitive bid process, which is time intensive. When design work is required, the project manager generally issues two contracts: one for design and one for construction. However, the USPS also has been testing design-build contracts. Use of such contracts simplifies the solicitation process somewhat because only one contract is issued.

Award/Notice to Proceed

Once an agreement is reached and signed with the contractor, the R&A project manager issues the contractor a notice to proceed. For projects costing less than $25,000, that notice can be issued immediately because the contractor is not required to provide a bond. A notice to proceed on projects costing more than $25,000 is issued after the contractor obtains a bond, which usually takes two to four weeks. In the case of IQC contracts, the bond is already in place.

Ongoing Project Inspection

Contractor progress and performance is monitored throughout the duration of the project. For small projects, project managers generally use a contracting officer's representative (COR) to oversee the day-to-day activities of the contractor. The COR is a USPS employee who works at or near the facility where the project is being performed and who agrees, in writing, to be responsible for that oversight.

For larger projects that are beyond the capability of local postal employees to oversee, project managers usually make regular site inspections to ensure the quality and integrity of the work. If the magnitude of a project is such that the project manager is not able to provide the necessary supervision at the job site, he or she will hire an A-E firm to act as the owner's representative during construction.

Many R&A project managers believe they rely too heavily on CORs for inspecting work and ensuring quality. That reliance is a problem because CORs

generally do not have construction training. However, because of their large workloads and geographically dispersed facilities, many R&A project managers have no choice.

Project Payment/Acceptance

Payment for projects is authorized by the person responsible for the ongoing project inspection. As the contractor performs according to the terms of the contract, payment is authorized.

Project Closeout

The project is closed out when the project manager and the acting representatives agree that the contractor has fulfilled the obligations of the contract. For large projects, this process can be lengthy and time-consuming.

CHAPTER 6

Comparison of USPS and Private Industry R&A Practices

Because the Postal Service tries to use proven private-sector practices where feasible, we surveyed 17 companies to identify facilities and property management practices that are common to corporate R&A programs and that might be appropriate for incorporation in the USPS R&A program. Among the 17 companies we surveyed were WalMart, JC Penney, Amoco, Pizza Hut, Taco Bell, Southland Corporation, and Marriott. Our analysis of private industry showed that no two companies organized their R&A programs in exactly the same way. In general, however, the companies have a number of common elements, which are described in the following sections. Where appropriate, we also compare those elements with USPS practices.

It is important to remember that, since the USPS is a government agency, it cannot always use proven private-sector practices. Unlike the Postal Service, private companies do not have to adhere to the myriad Federal procurement regulations such as those specified in the *Davis-Bacon Wage Act* and the *Fairness in Competition Act*. Additionally, no private-sector company has the number of facilities that the USPS does. The sheer size of the Postal Service creates some unique R&A management and execution challenges. Those differences should be considered when determining reasonable performance expectations.

ORGANIZATION

At some point in the corporate structure, a single individual or office is held accountable for the company's repair and maintenance operations. That is true whether the R&A program is administered locally or centrally. In general, the entity that oversees the R&A program determines the R&A policies, allocates budgets, and measures the overall effectiveness of the program. That approach enables the company to ensure that resources are being used appropriately and that a given level of quality is being achieved.

In contrast, the USPS splits responsibility for R&A projects between two functional elements: Operations and Facilities. In addition, the Postal Service has no clearly defined policies regarding goals of the R&A program, no consistent system for establishing priorities, no defined budget for R&A, and no clear measures of the effectiveness of the program.

RESOURCES

Finances

A corporate R&A program manager has a set budget to allocate among many potential R&A projects. Having the R&A manager decide how to allocate limited resources among projects means that the person with the most knowledge regarding the entire project workload decides which projects should be undertaken when. By utilizing that expertise, the overall facility R&A function benefits.

In contrast, the R&A project manager in the USPS must obtain funding for projects from someone else's budget. This removes project planning and prioritization from the USPS staff who have the expertise to best make that determination. Compounding this problem, the various districts or areas have different budgetary priorities and ideas about how much funding is appropriate for facilities work, regardless of what the project manager feels is appropriate. If the R&A project managers do not have a specific budget, the R&A program will always be subject to control by internal politics and the Postal Service will be unable to optimize the effectiveness of its investments in facilities.

A corporation tends to approve and fund capital R&A projects using budgeting criteria that are similar to those used for justifying new construction projects. The capital budgeting criteria typically include both quantitative and qualitative measures to determine project priorities and the overall financial soundness of the investment. Quantitative measures include the internal rate of return, net present value, return on investment, and return on assets. Those measures weigh the cost of the investment against the projected increase in revenues (or the ability to preserve current revenues). Qualitative factors vary but can include customer and worker safety, the image that the facility portrays to the public, compliance with government codes and regulations, risk associated with market conditions that may be difficult to quantify, and general corporate strategy.

For example, a company may justify the expenditure of money to improve the entrances and exits to a facility with poor sales if the company determines that the improvement will result in higher sales that are sufficient to meet a minimum internal rate of return. In contrast, a company may not be able to justify spending money to renovate a facility with average sales if local economic conditions are declining, which results in deteriorating sales each year. In such a situation, even with an optimal facility, the sales are being driven by local economic conditions, so the projected return on the investment will not be sufficient to meet the established corporate minimum.

The Postal Service is not investing enough in the repair and maintenance of its facilities. The Postal Service estimates that its annual expenditure on R&A is, at best, $0.45 per square foot. In contrast, the amount spent on building repair and maintenance in 1992 by a variety of government and private-sector

organizations ranged from $1.00 to $1.75 per square foot. Clearly, repair and maintenance of its facility assets is not a priority with the Postal Service as a whole; instead, it has a penny-wise, dollar-foolish approach. The net result of underinvesting in R&A is that the facilities consume themselves. In other words, a relatively simple repair project that does not get done quickly becomes a major replacement project.

Staffing

Regardless of the mix between in-house staff and contract/consultant support, companies have very lean real estate and facilities staffs. And those staffs are given the tools, resources, and authority to get the job done.

As an example, a prominent national discount retail chain with about 2,500 stores has a staff of eight maintenance managers to oversee the maintenance and repair of its owned facilities.[1] Each manager is responsible for the major maintenance and repair of the building structures and parking lots of about 135 facilities, or about 12 million square feet of space. They are not, however, responsible for the maintenance and repair of HVAC and refrigeration systems. The HVAC systems of all the stores (both owned and leased) in this retail chain are monitored by a state-of-the-art, commercial energy management system to minimize the number of failures and emergency repairs. The systems are monitored around the clock by a team of 60 professionals working two 12-hour shifts; the system activates an alarm when a failure or variation in energy consumption occurs. Similarly, the refrigeration systems are monitored by a group of 20 personnel using a consumption monitoring system that works exclusively on refrigeration equipment.

All maintenance and repairs to building structures, parking lots, HVAC systems, and refrigeration systems are carried out by a maintenance department, which is staffed with about 90 personnel distributed throughout the country; the maintenance staff responds to maintenance problems on a timely basis, as well as performs routine maintenance and inspections. Altogether, this national discount retail chain has 186 staff members tasked with ensuring the smooth delivery of R&A services to its inventory of facilities.

For comparison, a typical USPS FSO (including area office and district resources) handles roughly the same number of facilities as the national retail chain described above but has a fraction of the resources, as shown in Table 6-1.

[1] Another contingent of eight property managers manage the R&A improvements on leased property via the landlord. A property manager may enlist the assistance of a maintenance manager in getting R&A projects completed if a landlord is unable or unwilling to comply with maintenance or alteration requests.

Table 6-1.
Comparison of USPS and Retail Chain R&A Staff Resources

Discount retail chain		USPS FSO	
Staff type	Number	Staff type	Number
Maintenance managers	8	D&C staff	10
HVAC repair staff	90	Area office engineers	8
Energy management department	60	District staff[a]	17
Refrigeration department	20		
Property managers	8		
Total	186	Total	35

[a] Includes one architect-engineer and one space planner per district.

Delivery Process

Contracting Authority

Companies give divisional or regional offices broad contracting authority and allocate some contracting authority at the local level. In general, companies (particularly those with geographically dispersed operations) tend to allocate contracting authority to the lowest levels necessary to respond to needs effectively. Contracting authority at the regional office level is common.

Given the current allocation of staff with contracting authority, the USPS appears on par with private industry in terms of the distribution of contracting authority throughout the organization. The idea, under consideration, of consolidating contracting authority within the Postal Service would be counter to practices within private industry and counter to guidance from the postmaster general to delegate responsibility and authority to the lowest practical level of the organization.

Project Approval

Companies require that large facility projects, including R&A, be approved by corporate headquarters. All companies have some dollar threshold beyond which corporate approval must be obtained for a facilities-related project. Naturally, that dollar threshold varies according to the type of industry, nature of the project, and the management philosophy of corporate headquarters.

The USPS requires that projects over $500,000 be approved by Headquarters. The majority of R&A projects fall below that threshold, but some alteration projects, particularly for P&D facilities, are large enough that they require approval

from Washington. While many field offices reported that the Headquarters approval process is cumbersome, the threshold, when compared to private industry, appears reasonable.

Program Administration

Whether approval is made at the corporate or regional headquarters, most companies administer R&A at the lowest practical level in order to make it effective. Although some companies centralize the R&A function at their headquarters, the majority of companies tend to push the responsibility of implementing R&A projects down to the lowest practical level. Only WalMart has centralized the administration of R&A at its headquarters; even so, it relies on a contingent of maintenance personnel in the field who perform on-site repairs and maintenance and conduct inspections.

A case for centralizing the R&A function can be made only for an organization with a reasonable span of control. Given the Postal Service's facility inventory of over 34,500 CS and 500 P&D facilities, and the resulting R&A workload, centralizing the R&A function at USPS Headquarters is simply beyond the realm of what could be prudently managed. It is important to note that the USPS is virtually unmatched by any company in the private sector in terms of the number of facilities it manages. Table 6-2 illustrates this point. Large, national retail companies have only a fraction of the number of facilities that the USPS manages. Even the largest of retail operations that we encountered, WalMart, has only 2,500 stores nationwide, about the size of just one FSO and not even 10 percent of the total USPS facility inventory.

Table 6-2.
Comparison of Inventory Sizes of USPS and Private-Sector Companies

Organization	Number of facilities
USPS	35,500+
WalMart[a]	2,440
JC Penney[b]	2,410
K-Mart[c]	2,370
Southland Corporation (7-11 stores)[d]	2,327
McDonald's Corporation[e]	1,433
Federal Express[f]	1,126

Sources: Most current company annual reports and/or 10-K forms.

[a] Includes WalMart, Sam's Clubs, and Supercenter stores in the United States only.

[b] Includes JC Penney stores, catalog units, and drugstores.

[c] Estimated number of stores after current renovation program is complete.

[d] Includes company-operated stores in the United States and Canada.

[e] Includes company-operated stores in the United States.

[f] Includes company headquarters, administrative offices, warehouses, city station operations, as well as service centers. The company operates about 29,500 drop boxes distributed nationwide.

The USPS should follow the private-sector example of implementing R&A at the lowest level. Doing so means that most of the R&A work now handled by the MFOs should be transferred to the FSOs and area offices. The exception may be large alteration projects involving a significant amount of fixed mechanization. Also, some R&A projects being administered by the FSOs could be handled by the districts. The Postal Service has increased the postmaster's ability to handle small R&A projects with a $10,000 limit. That practice is similar to the approach used in the private sector, which generally holds local managers responsible for small, quick-response R&A work.

It is important to note that, if R&A responsibility is delegated to a different organization within the Postal Service, appropriate resources (both finances and staffing) also must be allocated to accommodate the changed workload.

Contracting

Private industry tends to contract or outsource much of the design and construction functions associated with R&A.

With much of corporate America engaged in downsizing, there is a marked emphasis on keeping the costs of overhead functions as low as possible, particularly in industries that are extremely price competitive. As a result, some companies have been experimenting with the use of national or regional partnering arrangements with contractors to minimize the source-selection effort and meet desired quality standards. For example, companies engaging in periodic facelifts to their facilities often contract the work on a regional basis; that is, one company has the contract for work in an entire area or region of the country. Others have gone so far as to outsource the entire facilities/realty management function to a third-party brokerage and property management firm. That practice works well for companies that are growing rapidly and do not have the resources to devote to facilities management.

The Postal Service has made great strides in the past five years towards employing contractors to perform R&A work while retaining project management control. However, given current staffing constraints and the large amount of R&A work, there are opportunities to use outside resources more extensively. For example, a contractor could conduct all routine inspections of postal facilities. Regional and local offices should have the flexibility to decide what parts of the R&A program to further outsource or contract. Again, Federal government contracting procedures hamper the ability of the Postal Service to obtain prices that are comparable to those obtained in the private sector and to negotiate freely with potential contractors.

Capital Planning

The trend in private industry with respect to facilities is away from the traditional approach of managing facilities as mere buildings and towards

treating buildings as an integral part of the company's overall capital asset portfolio. Typically, such decisions as acquisition, expansion, termination, relocation, and lease versus buy are made within the broader context of meeting predetermined goals established by headquarters. Those goals are a mixture of financial, operational, and other objectives. Some companies have gone so far as to create real estate development divisions whose purpose is to buy and sell property. However, that practice is risky, and many have lost money as a result.

With respect to R&A, companies want to preserve the value of their building assets and realize that an effective R&A program is critical to meeting this goal cost-effectively. By emphasizing inspections and preventive and routine maintenance, companies keep R&A expenditures in control and have fewer of the more costly emergency projects. Fewer emergency projects also allow companies to keep annual R&A expenditures at a more even level from year to year.

APPENDIX

Facilities Maintained by MFOs, FSOs, Area Offices, and District Offices

Maintenance Responsibility of Customer Service Facilities - by FSO

26-Sep-94

FSO	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Atlanta	3,165	17,946,297	907	10,105,456	1,495	3,859,678	1,137	3,852,072
Chicago	2,611	13,010,014	640	8,398,944	1,615	3,278,368	443	1,997,964
Columbia	4,267	20,261,386	1,365	13,253,889	2,440	4,710,593	605	2,004,351
Dallas	3,657	17,058,492	834	10,075,475	1,835	3,787,755	1,117	3,264,765
Denver	3,695	13,113,656	775	7,325,430	2,439	3,781,853	644	1,938,038
Greensboro	3,876	12,564,811	1,080	6,614,476	2,394	4,021,786	589	2,158,845
Kansas	4,242	14,163,139	699	7,003,150	3,067	4,934,899	456	2,252,654
New York	1,580	13,009,153	507	7,766,350	683	2,252,943	446	2,819,222
San Bruno	3,463	24,825,935	967	14,875,905	1,833	5,480,812	959	5,298,989
Windsor	3,142	14,401,213	624	7,866,152	1,989	3,900,391	771	2,731,945

Maintenance Responsibility of Customer Service Facilities - by District

20-Apr-95

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Atlanta								
Alabama	653	2,324,289	129	1,174,029	265	498,649	282	639,530
Atlanta	446	2,369,423	86	1,273,246	130	369,482	141	616,432
Central Florida	188	1,616,374	77	1,021,733	64	238,099	57	380,023
Mississippi	461	1,634,509	131	915,882	219	437,294	137	285,895
North Florida	284	1,577,676	81	937,680	126	345,044	92	328,076
South Florida	113	1,338,727	52	747,522	57	338,873	25	200,285
South Georgia	113	1,750,065	54	819,848	228	507,181	147	438,921
Sun Coast	236	1,854,212	88	1,014,394	100	399,448	71	494,170
Tennessee	671	3,481,022	209	2,201,122	306	725,608	185	468,740
	3,165	**17,946,297**	**907**	**10,105,456**	**1,495**	**3,859,678**	**1,137**	**3,852,072**
Chicago								
Central Illinois	635	2,302,088	154	1,516,648	419	594,376	74	196,395
Chicago	115	1,644,545	49	1,112,025	58	376,278	21	160,867

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Detroit	126	1,393,040	49	742,448	52	333,371	37	386,865
Greater Indiana	710	2,725,493	160	1,508,298	486	868,048	82	381,123
Greater Michiga	689	2,148,207	115	1,051,052	431	685,548	147	414,557
Northern Illinois	239	1,955,671	82	1,965,241	123	236,914	52	313,396
Royal Oak	97	840,970	31	503,232	46	183,833	30	144,761
	2,611	**13,010,014**	**640**	**8,398,944**	**1,615**	**3,278,368**	**443**	**1,997,964**
Columbia								
Akron	487	1,968,948	137	1,212,095	268	476,499	95	279,687
Baltimore	336	1,892,276	132	1,404,726	198	438,154	23	94,032
Capital	229	2,478,505	108	1,783,051	127	464,394	13	53,442
Cincinnati	412	1,673,824	97	977,695	206	388,081	129	339,394
Cleveland	123	989,746	39	510,837	64	275,740	24	199,162
Columbus	387	2,363,692	77	1,791,607	222	331,519	95	271,423
Erie	507	1,199,964	156	682,183	354	474,045	8	14,741
Harrisburg	559	1,915,317	187	1,387,443	339	422,903	48	114,271
Lancaster	388	1,293,336	128	805,273	203	309,854	66	180,018

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Philadelphia	161	1,487,398	64	854,733	73	287,573	45	244,712
Pittsburgh	416	1,678,672	137	976,356	274	614,098	8	65,484
South Jersey	262	1,319,708	103	867,890	112	227,733	51	147,985
	4,267	**20,261,386**	**1,365**	**13,253,889**	**2,440**	**4,710,593**	**605**	**2,004,351**
Dallas								
Arkansas	634	1,832,349	85	743,172	294	604,824	273	495,945
Dallas	408	2,843,080	103	1,748,763	168	524,518	154	582,890
Fort Worth	496	2,389,595	118	1,463,308	243	424,872	151	492,885
Houston	318	2,416,720	112	1,717,592	143	357,218	83	384,606
New Orleans	574	2,441,264	127	1,485,174	290	478,892	167	479,548
Oklahoma	621	2,443,083	142	1,385,697	343	646,459	159	401,460
San Antonio	606	2,692,401	147	1,531,769	354	750,972	130	427,431
	3,657	**17,058,492**	**834**	**10,075,475**	**1,835**	**3,787,755**	**1,117**	**3,264,765**
Denver								
Albuquerque	321	1,018,194	44	432,342	201	348,310	48	173,903

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Billings	326	1,090,501	38	605,326	196	283,516	101	184,215
Central Plains	1,120	3,225,899	200	1,482,076	808	1,201,578	149	468,348
Dakotas	821	1,709,857	157	853,593	593	672,112	89	186,593
Denver	632	3,094,153	205	1,999,139	335	546,241	141	526,179
Phoenix	275	2,012,231	88	1,412,880	186	393,958	67	307,687
Salt Lake	200	962,821	43	540,074	120	336,138	49	91,113
	3,695	**13,113,656**	**775**	**7,325,430**	**2,439**	**3,781,853**	**644**	**1,938,038**
Greensboro								
Appalachian	1,032	2,031,773	360	1,089,630	694	884,748	22	63,418
Columbia	327	1,463,713	80	660,999	180	500,058	86	387,958
Greensboro	480	2,346,872	93	1,110,900	225	506,155	191	747,879
Kentuckiana	907	2,110,898	188	1,190,963	655	746,819	97	277,650
Mid-Carolinas	430	1,849,852	93	786,694	192	495,818	162	569,243
Northern Virgini	168	1,038,003	77	671,643	103	278,544	7	58,335
Richmond	532	1,723,700	189	1,103,647	345	609,644	24	54,362

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
	3,876	**12,564,811**	**1,080**	**6,614,476**	**2,394**	**4,021,786**	**589**	**2,158,845**
Kansas								
Gateway	815	2,909,816	138	1,509,303	571	839,010	121	544,450
Hawkeye	929	2,416,334	134	1,116,806	710	1,000,518	103	275,024
Mid-America	811	2,685,151	146	1,152,937	577	794,175	102	634,342
Milwaukee	721	2,857,823	129	1,495,533	512	1,087,723	123	332,261
Northland	966	3,294,015	152	1,728,571	697	1,213,473	7	466,577
	4,242	**14,163,139**	**699**	**7,003,150**	**3,067**	**4,934,899**	**456**	**2,252,654**
New York								
Carribbean	151	762,351	64	491,126	50	130,196	36	122,599
Central New Jers	305	1,573,723	95	930,523	163	459,973	58	184,247
Long Island	193	1,411,271	58	660,460	74	351,276	76	405,292
New York	129	3,375,003	48	2,002,559	38	222,118	41	1,001,376
Northern New Je	260	2,107,906	100	1,286,716	105	388,311	69	432,535
Tri-Borough	166	2,324,176	63	1,607,973	59	336,072	52	378,702

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Westchester	376	1,454,723	79	786,993	194	364,997	114	294,471
	1,580	**13,009,153**	**507**	**7,766,350**	**683**	**2,252,943**	**446**	**2,819,222**
San Bruno								
Anchorage	220	990,655	131	806,261	95	175,467	4	25,210
Honolulu	122	778,266	37	524,175	83	216,979	17	73,220
Las Vegas	160	710,389	39	388,824	78	237,328	46	94,904
Long Beach	133	1,648,579	58	889,218	46	211,240	64	663,424
Los Angeles	71	1,869,034	32	1,519,586	40	223,610	23	182,581
Oakland	136	1,266,421	41	592,743	81	319,692	40	360,268
Portland	438	1,761,110	70	857,948	240	459,088	133	398,926
Sacramento	378	1,783,452	83	956,497	204	484,073	115	412,875
San Diego	257	2,050,972	78	1,186,747	136	519,967	77	524,394
San Francisco	261	2,742,456	52	1,813,656	167	519,311	60	541,189
San Jose	219	1,515,725	67	987,981	101	273,138	74	277,663
Santa Ana	129	1,785,124	60	1,030,463	51	261,987	41	655,587
Seattle	352	2,687,732	96	1,579,104	179	642,276	106	482,852

FSO District	Total Number of CS facilities	Total square footage of CS facilities	USPS Maintained		Lessor Maintained		Combined Maintance	
			Number	Square footage	Number	Square footage	Number	Square footage
National Total:	**33,698**	**160,354,096**	**8,398**	**93,285,227**	**19,790**	**40,009,078**	**7,167**	**28,318,845**
Spokane	397	1,448,332	53	736,282	247	454,904	107	273,411
Van Nuys	190	1,787,688	70	1,006,420	85	481,752	52	332,485
	3,463	**24,825,935**	**967**	**14,875,905**	**1,833**	**5,480,812**	**959**	**5,298,989**
Windsor								
Albany	731	2,176,751	148	1,341,085	457	525,053	143	369,004
Boston	107	1,296,224	19	731,487	47	492,201	39	323,949
Connecticut	331	2,053,914	92	1,060,228	180	574,768	94	387,655
Maine	475	1,246,526	46	546,998	325	500,974	117	226,631
Middlesex-centr	210	1,793,687	52	948,858	133	390,010	43	222,606
New Hampshire	249	887,646	36	388,064	116	233,687	101	258,018
Providence	282	1,648,367	66	826,704	149	381,524	89	454,164
Springfield	309	1,438,468	59	854,507	278	343,372	88	231,198
Western New Yo	448	1,859,630	106	1,168,221	304	458,802	57	258,720
	3,142	**14,401,213**	**624**	**7,866,152**	**1,989**	**3,900,391**	**771**	**2,731,945**

P/D maintenance responsibility - by MFO

20-Apr-95

MFO	USPS maintained		Lessor maintained		Combined maintenance	
	Number	Square footage	Number	Square footage	Number	Square footage
Memphis	209	43,140,244	81	1,849,636	51	2,674,331
Philadelphia	191	41,136,636	69	2,434,335	46	1,779,114
National total:	**400**	**84,276,880**	**150**	**4,283,971**	**97**	**4,453,445**

Count includes miscellaneous facilities such as antenna sites and training facilities *Report name: PD-mfo-a*

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P/D maintenance responsibility - by Area Office

20-Apr-95

Area Office	USPS maintained		Lessor maintained		Combined maintenance	
	Number	Square footage	Number	Square footage	Number	Square footage
Allegheny	39	8,450,415	16	426,442	5	181,896
Great Lakes	31	8,791,342	7	177,578	4	328,216
Mid-Atlantic	58	8,785,263	28	1,005,415	17	196,262
Mid-west	51	12,236,869	22	636,360	17	1,173,734
New York Metr	30	8,993,046	7	504,890	7	581,581
Northeast	33	6,116,570	11	320,010	13	491,159
Pacific	46	9,231,062	13	218,088	6	157,178
Southeast	47	8,827,002	11	236,615	10	452,332
Southwest	37	7,824,757	13	296,162	11	754,725
Western	28	5,020,554	22	462,411	7	136,362
National total:	**400**	**84,276,880**	**150**	**4,283,971**	**97**	**4,453,445**

Count includes miscellaneous facilities such as antenna sites and training facilities *Report name: PD-area-a*

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